

The Illinois Health Insurance Exchange: Governance and Financing

Exchange: Corporate Form

- There is hereby created the Illinois Health Insurance Exchange.
- The Exchange shall operate subject to the supervision of the board. The board is created as a body politic and corporate and, as such, is not a state agency.

Board Composition

The Exchange Board should be composed of 20 members:

- **5 members appointed by the Governor**, with one from each of the following categories: (1) a health actuary; (2) a small business representative; (3) a consumer representative; (4) a healthcare provider; and (5) a representative of organized labor. The Governor shall designate one of the appointees as Chair.
- **4 members appointed by the General Assembly** (but not members of the General Assembly), one each appointed by the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives, from among the following categories: community-based healthcare provider, healthcare advocate representative, retired inactive insurance industry representative and retired inactive licensed insurance producer.
- **2 members appointed by the Attorney General**, one being an attorney with experience with public programs such as Medicaid and the other an attorney with experience working with the Attorney General's Health Care Bureau.
- **4 members of the General Assembly**, one each appointed by the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives, serving as *ex officio*, non-voting members.
- The Governor or his designee, the Director of Insurance, the Director of the Healthcare and Family Services, the Director of Human Services, and the Director of Public Health serving as *ex officio*, non-voting members.
- There should be a strong conflict of interest provision that precludes anyone from serving on the Exchange Board if the person, or his or her family, could benefit personally (distinguishable from benefits to the public generally) from decisions of the Board.
- The Exchange Board should have the ability to establish technical advisory committees which may include insurers, producers, providers and consumers.
- The appointing authorities should take into consideration the cultural, ethnic, and geographic diversity of the State so that the Board's composition reflects the communities of this State.

Powers of the Board

Include in the powers of the board the authority to:

- Develop a financing model that will allow the Exchange to be self-sustainable by 2015.
- Apply for and accept public and private grant funds for the operation of the Exchange
- Enter into intergovernmental agreements.
- Create an Exchange Fund under the management of the board for the operation of the board and to fund administrative and other expenses of the Exchange.
- The Exchange Fund shall consist of assessments and other revenues collected or received by the board.

Assessment

The administrative and other expenses of the board shall be funded by an assessment of all insurers. No state general revenue fund shall be used for the administrative and other expenses of the Exchange. For purposes of this section the term “insurers” means any insurance company authorized to transact health insurance business in this State and any corporation that provides medical services and is organized under the Voluntary Health Services Plans Act [215 ILCS 165/1 et seq.] or the Health Maintenance Organization Act [215 ILCS 125/1-1 et seq.].

An insurer’s assessment shall be determined by multiplying the total assessment, as determined by the board in accordance with section _____, by a fraction, the numerator of which equals that insurer’s direct Illinois premiums during the preceding calendar year and the denominator of which equals the total of all insurers’ direct Illinois premiums. For purposes of this section, the term “direct Illinois premiums” means, for Illinois business, an insurer’s direct premium income for the kinds of business described in clause (b) of Class 1 or clause (a) of Class 2 of Section 4 of the Illinois Insurance Code, and direct premium income of a health maintenance organization or a voluntary health services plan, except it shall not include health insurance as defined in Article IX ½ of the Illinois Insurance Code [215 ILCS 5/1 et seq.].